

Date Mailed
December 22, 1998

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of the Wisconsin Power and Light Company, as an
Electric, Water and Natural Gas Public Utility, to Change
Electric, Water and Natural Gas Rates

6680-UR-110

**NOTICE OF PROCEEDING, INVESTIGATION
ASSESSMENT OF COSTS AND PREHEARING CONFERENCE: YEAR 2000
COMPUTER COSTS**

Prehearing Conference Date: January 19, 1999, at 8:30 a.m.

**Hearing Location: Public Service Commission, 610 North Whitney Way,
Madison, WI**

THIS IS A PROCEEDING, pursuant to Wis. Stat. §§ 196.03, 196.20, and 196.37 to consider the November 13, 1998, application of Wisconsin Power and Light Company (WP&L or applicant) for authority to increase its Wisconsin retail electric, natural gas, and water rates in order to recover its costs associated with the Year 2000 computer problem.

WP&L, 222 West Washington Avenue, Madison, Wisconsin, 53703, is a Corporation existing under the laws of the State of Wisconsin engaged in rendering electric, natural gas, and water utility service to the public and is a public utility as defined in Wis. Stat. § 196.01.

The application states, in part:

Applicant's costs associated with the Year 2000 problem, including costs for inventory, assessment and testing, remediation, base contingency planning, emergency preparedness and awareness and education, are increasing, are outside the control of the Applicant and are unusual and infrequently occurring in nature.

WP&L is requesting to increase its rates by \$12,345,000 for retail electric service, \$3,603,000 for natural gas service, \$144,000 for Beloit water service, and \$28,000 for Ripon water service. The application states that WP&L will be caused significant financial harm if cost recovery is not granted.

Pursuant to Order Point 11 of the Commission's November 5, 1997, order in docket 6680-UM-100 WP&L may request that its retail rates be reopened during the four-year rate

freeze period for single events that are not merger related, and have a revenue requirement impact of \$4.5 million or more.

NOTICE IS GIVEN that this matter is a Class 1 proceeding as defined in Wis. Stat. § 227.01(3)(a). This is a Type III action under Wis. Admin. Code §. PSC 4.10(3). No unusual circumstances suggesting the likelihood of significant environmental consequences have come to the Commission's attention. Neither an environmental impact statement under Wis. Stat. § 1.11, nor an environmental assessment is required.

The Commission considers it necessary in order to carry out its duties to investigate the books, accounts, practices, and activities of WP&L. The expenses incurred or to be incurred by the Commission which are reasonably attributable to the investigation will be assessed against and collected from WP&L in accordance with Wis. Stat. § 196.85(1), and Wis. Adm. Code § PSC 5.

The Commission will hold a prehearing conference on January 19, 1999, at 8:30 a.m. in the Amnicon Falls Hearing Room at the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin, and continuing at times to be set by the presiding Hearing Examiner. This building is accessible to people in wheelchairs through the Whitney Way first floor (lobby) entrance. Parking for people with disabilities is available on the south side of the building. Any person with a disability who needs additional accommodations should contact the case coordinator listed below.

The prehearing conference is being held to: 1) identify persons who will actively participate as full parties; 2) identify issues; 3) determine the date and time for a hearing; 4) specify dates for filing testimony and exhibits; and 5) any other matters that will facilitate the hearing.

Full parties will be bound by the designation of issues and the schedule adopted at the prehearing conference. Persons who consider themselves to be potential full parties should participate in the prehearing conference. Persons who desire to actively participate as full parties must request full party status in writing. Full party status requests should be addressed to Jeffry Patzke, Hearing Examiner, Public Service Commission of Wisconsin, Examining Division, P.O. Box 7854, Madison, Wisconsin 53707-7854.

Questions regarding the prehearing schedule in this notice may call Jeffry Patzke, at (608) 266-7165.

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Questions regarding this matter may contact case coordinator Neil Michek, Electric Division, at (608) 267-1209 or email at michen@psc.state.wi.us.

Dated at Madison, Wisconsin, _____

By the Commission.

Lynda L. Dorr
Secretary to the Commission

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